

SENATE RECORD VOTE ANALYSIS

105th Congress
2nd Session

Vote No. 152

June 9, 1998, 6:40 p.m.
Page S-5776 Temp. Record

TOBACCO BILL/Alternative Drug Proposal, Authorizations Only

SUBJECT: National Tobacco Policy and Youth Smoking Reduction Act . . . S. 1415. Kerry (for Daschle) amendment No. 2634 to the Daschle (for Durbin) amendment No. 2437, as amended, to the instructions (Gramm amendment No. 2436) to the Gramm motion to recommit the Commerce Committee modified substitute amendment No. 2420.

ACTION: AMENDMENT REJECTED, 45-53

SYNOPSIS: The "Commerce-2" committee substitute amendment (see NOTE in vote No. 142) to S. 1415, the National Tobacco Policy and Youth Smoking Reduction Act, will raise up to \$265.0 billion over 10 years and up to \$885.6 billion over 25 years from tobacco company "payments" (assessments) and from "look-back" penalties that will be imposed on tobacco companies if they fail to reduce underage use of tobacco products. Most of the money will come from the required payments (\$755.67 billion over 25 years). Additional sums will be raised from other fines and penalties on tobacco companies, and the required payments will be higher if volume reduction targets on tobacco use are not met. The tobacco companies will be required to pass on the entire cost of the payments to their consumers, who are primarily low-income Americans. By Joint Tax Committee (JTC) estimates, the price of a pack of cigarettes that costs \$1.98 now will rise to \$4.84 by 2007. The amendment will require the "net" amount raised, as estimated by the Treasury Department, to be placed in a new tobacco trust fund. (The net amount will be equal to the total amount collected minus any reductions in other Federal revenue collections that will occur as a result of increasing tobacco prices. For instance, income tax collections will decline because there will be less taxable income in the economy). The JTC estimates that the amendment will raise up to \$232.4 billion over 9 years, but only \$131.8 billion net. Extending the JTC's assumptions through 25 years, a total of \$514.2 billion net will be collected. The amendment will require all of that money to be spent; 56 percent of it will be direct (mandatory) spending. The Federal Government will give States 40 percent of the funds and will spend 60 percent. Medicare will not get any of the funding in the first 10 years unless actual revenues are higher than estimated in this amendment (in contrast, the Senate-passed budget resolution required any Federal share of funds from tobacco legislation

(See other side)

YEAS (45)			NAYS (53)		NOT VOTING (2)	
Republicans (1 or 2%)	Democrats (44 or 100%)		Republicans (53 or 98%)	Democrats (0 or 0%)	Republicans (1)	Democrats (1)
McCain	Akaka	Johnson	Abraham	Helms	Specter- ³	Inouye- ²
	Baucus	Kennedy	Allard	Hutchinson		
	Biden	Kerrey	Ashcroft	Hutchison		
	Bingaman	Kerry	Bennett	Inhofe		
	Boxer	Kohl	Bond	Jeffords		
	Breaux	Landrieu	Brownback	Kempthorne		
	Bryan	Lautenberg	Burns	Kyl		
	Bumpers	Leahy	Campbell	Lott		
	Byrd	Levin	Chafee	Lugar		
	Cleland	Lieberman	Coats	Mack		
	Conrad	Mikulski	Cochran	McConnell		
	Daschle	Moseley-Braun	Collins	Murkowski		
	Dodd	Moynihan	Coverdell	Nickles		
	Dorgan	Murray	Craig	Roberts		
	Durbin	Reed	D'Amato	Roth		
	Feingold	Reid	DeWine	Santorum		
	Feinstein	Robb	Domenici	Sessions		
	Ford	Rockefeller	Enzi	Shelby		
	Glenn	Sarbanes	Faircloth	Smith, Bob		
	Graham	Torricelli	Frist	Smith, Gordon		
	Harkin	Wellstone	Gorton	Snowe		
	Hollings	Wyden	Gramm	Stevens		
			Grams	Thomas		
			Grassley	Thompson		
			Gregg	Thurmond		
			Hagel	Warner		
			Hatch			

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

to be used to strengthen Medicare; see vote No. 84).

The Gramm motion to recommit with instructions would direct the Commerce Committee to report the bill back with the inclusion of the amendments already agreed to and the Gramm amendment No. 2437. The Gramm amendment would adopt the Gregg/Leahy amendment (see NOTE below) and would eliminate the marriage penalty in the tax code on couples earning less than \$50,000 per year. (Under current law, all married people are taxed at a higher rate than they would be if they were single and their income were divided between them). The Gramm amendment would increase the deduction for married couples earning less than \$50,000 so as to eliminate the penalty, and would amend the Earned Income Credit (EIC) to ensure that increasing the deduction would not decrease eligibility for the EIC. The tax relief for low-income families that would be provided by this amendment in the first 5 years would be approximately equal to one-third of the revenues raised by the bill.

The Durbin amendment, as amended, would cap the look-back penalties at \$7.7 billion annually and would shift the burden of those penalties on to those companies that have brands that do not meet the youth smoking reduction targets (see vote No. 149 for details). As amended by a Craig/Coverdell amendment, it would also fund anti-drug programs (see vote No. 151).

The Kerry amendment would enact alternative anti-drug provisions to the provisions enacted on the previous vote on the Coverdell/Craig amendment (see vote No. 152). Many of the provisions of the Coverdell/Craig amendment would be retained. The major change would be that it would just authorize the spending. Therefore, the money could not come from the tobacco trust fund. No indication of where the funding might come from is given. It would also put back in the minimum percentages of trust fund spending that would have to be spent on various programs in the bill. Other changes include an authorization to spend money on a new drug-treatment program for prisoners, the addition of anti-money laundering provisions, a deletion of the Coverdell/Craig ban on Federal funding for hypodermic needles for drug addicts (instead, funds would only be barred from being spent on that purpose in this year), and a deletion of the Coverdell/Craig proposal that would have allowed local educational agencies to give funding to the parents of students who were the victims of violence in public schools so that those parents could send their children to the schools of their choice, including private religious schools (the Kerry amendment would only allow parents to choose public schools).

NOTE: Two Gregg/Leahy amendments were pending at the time of the vote (see vote No. 145).

Those favoring the amendment contended:

This amendment has been offered to reflect Democratic priorities. Like the Coverdell/Craig amendment, it would beef up our Customs Service drug enforcement efforts and it would strengthen interdiction and other law enforcement efforts. Unlike the Coverdell/Craig amendment, it would not unconstitutionally allow Federal funds to be used to send children to religious schools in order to escape violent public schools, and it would not impose an intemperate, permanent ban on Federal funding of needle exchange programs. Most importantly, though, it would not authorize this funding at the expense of the anti-tobacco programs in this bill. Under the Kerry amendment, the minimum expenditures for the counter-advertising and cessation programs would be retained, as would all of the health provisions. We do not favor a Hobson's choice between anti-tobacco spending and anti-drug spending. We favor spending money on both. Therefore, we support the Kerry amendment.

Those opposing the amendment contended:

This amendment has been offered as a cover vote. Democrats who voted against efforts to reduce the extremely serious problem of illegal drug abuse needed a vote to show the voters that they had an alternative proposal that they thought was better. Remarkably, the proposal that they have offered is utterly empty because it is nothing more than a pile of authorization promises. The authorizations for appropriations in this bill are real because they will come out of the pot of money that will be generated from the enormous taxes that will be imposed on smokers. The authorizations in the Kerry amendment, though, will have to compete against every other discretionary budget item. Year after year, on vote after vote, most of our Democratic colleagues viscerally oppose any effort to reduce discretionary spending. Thus, there is no possible way that other spending could be reduced enough to fund a major anti-drug initiative like the Coverdell/Craig amendment. Further, there is no possible way that Republicans would follow the Democrats' preferred course of just increasing the total size of the already huge Federal Government to pay for the initiative. The authorizations in this amendment, therefore, are just empty, gimmick promises. Making matters even worse, the Kerry amendment would also undo many of the reforms agreed to on the previous vote that do not require additional funding. In particular, it would allow the Clinton Administration to resume in 1 year its plan to give hypodermic needles to drug addicts, and it would strike the provision that would have allowed parents to use Federal educational funds to send their children to private religious schools for safety if they had been victims of violent crimes in dangerous public schools. The Kerry amendment has no substantive merit. We urge its rejection.